

EXHIBIT 41

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UNITED STATES DISTRICT COURT
DISTRICT OF NEW HAMPSHIRE

SECURITIES AND EXCHANGE) Civil Action No.
COMMISSION,) 1:21-cv-00260-PB
)
Plaintiff,)
) VOLUME 1
vs.) (Pages 1 to 376)
)
LBRY, INC.,)
)
Defendant.)
_____)

CONFIDENTIAL VIDEOTAPED DEPOSITION OF
JEREMY KAUFFMAN
New York, New York
Monday, March 21, 2022

REPORTED BY:
ELBIA BAIREZ
JOB NO. 220321LHR

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10:50 1 has the deliverables for those in the third
2 column, correct?

3 A. Yes.

4 Q. Okay. One of the deliverables is daily
10:51 5 volume to exceed 13 BTC worth.

6 Do you know why LBRY contracted to have
7 daily volume exceed 13 BTC?

8 MR. MILLER: Objection.

9 A. I do not know. My understanding is
10:51 10 that the primary purpose of this was about keeping
11 the spreads -- keeping the spreads tight and the
12 markets liquid.

13 Q. So spread actually looks like it's
14 discussed in two and three on this list in the
10:51 15 third column, correct?

16 A. Yes.

17 Q. And what is LBRY asking for or
18 expecting to get as part of this engagement
19 agreement in terms of spreads?

10:51 20 A. This -- so again, this is a -- this is
21 a service. But this is -- what this is doing is
22 it's attempting to keep the market you know,
23 effectively not -- effectively keeping the market
24 relatively tight, you know, between buy and sell
10:52 25 prices so that there's liquid amounts at both the

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10:52 1 buy and sell prices.
2 So that someone who wants to come in
3 can understand, you know, what they're buying and
4 have a clear price without the price, you know,
10:52 5 jumping too much when people are buying and
6 selling larger amount.
7 Q. Okay. So there was a concern that
8 they -- without the market making services, if
9 someone were to buy a large quantity, the price
10:52 10 could go up?
11 MR. MILLER: Objection.
12 A. Yes.
13 Q. And there was a concern that if someone
14 were to sell a large quantity, the price could go
10:52 15 down?
16 A. Let me be clear, not -- when we -- we
17 have to differentiate between short-term effects
18 and medium to long-term effects.
19 Q. Okay.
10:52 20 A. Market making is about alleviating
21 short-term effects. It is not about alleviating
22 medium and longer term affects. That's impossible
23 to do.
24 Q. Okay. So I appreciate the
10:52 25 clarification. So now let's ask those same

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10:52 1 questions about the short-term.
2 In the -- was there a concern that in
3 the short-term, a large sale could deflate the
4 price in the short-term?

10:53 5 A. Let me be clear. Let me actually be
6 more specific.
7 When we are talking about short-term,
8 we are talking about a matter of hours here.
9 Okay. I'm not even talking about weeks or months.

10:53 10 You can't -- that's not what this is about. This
11 is about in the very short-term, making sure that
12 there is enough depth on both sides of the buy and
13 sell.
14 So that if someone -- if for some
10:53 15 reason, there's a large rush of buyers or a large
16 rush of sellers that you are not having -- that
17 they're able to get what they need without having
18 these highly variable affects.

19 Q. Okay. The "highly variable effects,"
10:53 20 meaning the price going up or the price going down
21 in the short-term?

22 MR. MILLER: Objection.

23 A. Yes.

24 Q. Do you understand how Altonomy was to
10:53 25 deliver a daily volume exceeding 13 BTC worth of

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11:43 1 Go ahead.

2 A. LBRY benefits from more people using
3 its software and people having LBC as part of
4 getting the most out of that software.

11:43 5 Q. In what way does LBRY benefit from more
6 people using its software?

7 MR. MILLER: Objection.

8 A. LBRY benefits from more people using
9 its software in the same way that other software
11:43 10 companies or software companies generally benefit
11 from having more users rather than less users.

12 Q. Well, a standard software company might
13 sell its product.

14 You don't sell LBRY -- LBRY videos, do
11:44 15 you?

16 MR. MILLER: Objection.

17 A. There are many software products that
18 people use on a daily basis that they do not pay
19 directly for.

11:44 20 Q. Okay. So in what ways was LBRY seeking
21 to make money based on an increase in users?

22 A. LBRY believes that as long as its
23 software is being used by millions or ideally
24 billions, we are not there yet, of people that
11:44 25 there will always be ways for us to make money.

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02:24 1 Q. Okay. And do you know what A16Z stands
2 for?

3 A. Andreessen Horowitz.

4 Q. Okay. Why are you e-mailing
02:25 5 Mr. Pruden?

6 A. I am e-mailing Mr. Pruden because we
7 were interested in receiving a venture capital
8 investment fund Andreessen Horowitz.

9 Q. Okay. In May of 2020, were you engaged
02:25 10 in soliciting more than just Anderson -- excuse
11 me, I'm going to pronounce that wrong -- A16Z,
12 let's go with that?

13 A. I believe there were a handle of firms
14 we were talking to at this time.

02:25 15 Q. What were the other firms you were
16 talking to at that time?

17 A. I -- I don't recall other names
18 specifically immediately.

19 Q. What were you look for from these
02:25 20 firms?

21 A. We were seeking a venture capital
22 investment.

23 Q. And were you offering equity?

24 A. I believe so.

02:25 25 Q. Were you offering LBC as part of those

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02:25 1 deals?

2 A. We were generally open-minded. But
3 primarily, we were offering equity unless a
4 venture firm specifically brought up tokens.

02:25 5 Q. Okay. Here, you say, "I've limit
6 myself to five reports," smiley face. Correct?

7 A. Correct.

8 Q. All right. Where -- are those the five
9 reports that are listed here, one, two, three,
02:26 10 four, five?

11 A. Correct.

12 Q. Where did you get these reports?

13 A. These reports come from internal tools
14 for reporting on our app on data that we have.

02:26 15 Q. Are all these reports from the system
16 called Metabase?

17 A. I believe so. But I'm not certain.

18 Q. Is Metabase the real-ish time analytics
19 system that you're referring to in your second
02:26 20 paragraph?

21 A. I believe so.

22 Q. Okay. Why did you pick these five
23 reports to send to Mr. Pruden?

24 A. I believe that these -- presumably,
02:26 25 because I believed that these reports would

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C E R T I F I C A T E

STATE OF NEW YORK)

:SS


COUNTY OF SUFFOLK)

I, Elbia Baires (Merino), a Notary Public
within and for the State of New York, do hereby
certify:

That the witness whose examination is
hereinbefore set forth was duly sworn and that such
an examination is a true record of the testimony
given by such witness.

I further certify that I am not related to
any of these parties to this action by blood or
marriage, and that I am not in any way interested in
the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my
hand on this 24th day of March, 2022.


Elbia Merino (Baires)